

Terms of Reference for Cooperation and Collaboration between the US Commodity Futures Trading Commission (CFTC), and the Ministry of Agriculture, Forestry and Fisheries (MAFF) and the Ministry of Economy, Trade and Industry (METI) of Japan

The US side (CFTC) and the Japanese side (MAFF and METI)(hereinafter referred to as the “the Authorities”), aim to work together to enhance cooperation and collaboration with a view to promoting customer protection, fostering market integrity, and facilitating the supervision of exchange-traded commodity futures that operate on a cross-border basis between the United States and Japan. To this end, this document sets forth terms of reference for cooperation and collaboration between the Authorities.

The collaboration between the Authorities takes into account a number of global trends, including

- the July 2008 leaders’ statement of the G8 Hokkaido Toyako Summit, which welcomes the efforts taken by relevant national authorities for increased transparency of commodity futures markets and encourage further cooperation between them;
- the expansion of commodity futures markets in both the United States and Japan; and
- the electronic integration of global markets and the demand by market users for open and efficient access to such markets, and the challenge this poses for regulators to explore cooperatively practical measures to facilitate access while maintaining appropriate customer and market protections.

TO ACHIEVE our mutual goal of strengthening market surveillance of cross-border trading in the commodity futures markets, the Authorities decide to take the following steps in accordance with the US and Japanese laws and regulations:

1. The Authorities will identify and exchange information on regulatory policies and practices in the commodity futures markets of common interest, particularly as such issues might relate to cross-border market access, oversight and surveillance, and enhanced transparency of trading on exchange markets;
2. The Authorities will improve cooperation on the exchange of information in the detection and prevention of cross-border enforcement violations in order to promote customer protection and market integrity, with a view towards setting up a comprehensive information sharing arrangement between the Authorities; and

3. The Authorities will have a consultation meeting on a regular basis in order to strengthen cooperation on the issues set forth in the foregoing items above.

Signed

FOR THE COMMODITY FUTURES
TRADING COMMISSION OF THE
UNITED STATES:



Acting Chairman

Date: 10-31-08

FOR THE MINISTRY OF
AGRICULTURE, FORESTRY AND
FISHERIES OF JAPAN:



Director-General for General Food Policy
Bureau

Date: Oct. 27, 2008

FOR THE MINISTRY OF ECONOMY,
TRADE AND INDUSTRY OF JAPAN:



Director-General for Commerce and
Distribution Policy

Date: Oct. 27, 2008